



HOLD THE FORT!

A COLLECTION OF FRESH FACTS AND ARGUMENTS
IN SUPPORT OF THE POLICY OF

Protection to Home Industry.

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THE PROTECTIVE POLICY.

Protection is a principle and not an expedient. If it is right, the reasons for believing in it and maintaining it should be so clear and so conclusive that its friends will never be tempted to apologize for it, nor its enemies be able to delude the unthinking with stories of its oppressive burdens. There is nothing complicated, nothing metaphysical, nothing hard to understand in the protective policy, and it should be discussed with that simplicity of statement and directness of application which it so eminently admits and so fully invites. It is a plain question of the duty of a nation to encourage the industry of its own people, in preference to the industry of an alien people. It is a question of the duty and interest of a nation to develop all its resources, rather than allow

some of the most important of them to remain undeveloped. It is a question of diversified employments and unbounded possibilities for a nation capable of great achievements, rather than a limitation of its powers to such occupations as will prevent it from becoming independent and its people from going forward. This is the protective policy. It is *not* the instrument by which monopolies are to be established, but it is the foe of all monopolies, domestic and foreign, for it encourages the widest competition in productive industry. It is not the instrument by which one class of the community is to be benefited at the expense of another class, for it seeks the common weal by affording employment to all classes. It is not a tax upon one industry for the benefit of another industry, for its design is to impose taxes upon foreign producers that domestic consumers may obtain cheaper commodities, and this is its effect. It is not a hindrance to commerce, but a help to it, for it stimulates internal commerce when it stimulates the development of resources which could have no value if not exchanged for other products, and it aids foreign commerce when it enables a country, through the competition and increased skill of its people, to produce commodities so cheaply that other countries will be induced to purchase them. It is the policy of patriotism, of progress, of civilization—a policy that defends the weak against the strong, and stands resolutely for one's own against all assailants.

The protective policy of the United States has always aimed to advance the welfare of its working people. Protection has benefited them because it has diversified their employments, increased the rewards of their labor, cheapened the cost of the necessities of life, stimulated enterprise, developed the national resources, expanded commerce between the States and with other countries, prevented the evil of direct taxation, and elevated the whole tone of our nation's life. The industrial policy of Great Britain, whether controlled by protective or free-trade influences, has always aimed to advance the interests of her ruling classes, and has never sought the elevation of her working people. It is the glory of the United States that she has not adopted an industrial policy that would degrade all labor, and it is the shame of Great Britain that her labor has been systematically degraded that her aristocracy might prosper.—*From The American Iron Trade in 1876.*

AMONG the most sacred rights is that of the labor of a country to its own markets.—*M. Thiers.*

THERE IS NO INTERNATIONAL FREE TRADE.

The opinion has been industriously disseminated that the policy of protecting home industries by means of duties on imports of foreign commodities is almost exclusively confined to the United States. This is an error. Protection is the policy of many nations; free trade the policy of very few. Of all the leading nations of the world, Great Britain is the only one which professes to practice absolute free trade in the exchange of commercial products; and even Great Britain, as we shall presently show, does this only in a qualified sense. France, Germany, Austria, Russia, Italy, Belgium, Holland, Denmark, Sweden, and Switzerland have protective tariffs. Even unhappy Spain is not without its tariff on imported goods, and impoverished Turkey now admits that to the absence of protection is her present condition largely due. The empire of Brazil, the leading nation of South America, imposes duties on imports which average over forty per cent. of their value. All the South American republics impose similar duties. Many of the colonies of Great Britain refuse to follow the example of the mother country, for they impose protective duties; the colonies of New South Wales and Victoria being especially devoted to the protective policy. In India and Canada there are strong parties favorable to the development of home industry by protective duties, and their views have found expression in local legislation. A careful survey of the whole field leads to the conclusion that the protective policy is everywhere stronger to-day than it has been. Only in Germany do we see manifested any disposition to surrender it, and there the effort to establish partial free trade is being most strenuously resisted.

It may be said that, with the exception of France, no other country is so strongly protective as the United States; but this criticism does not affect the proposition that protection is the rule and free trade the exception among all leading nations. The measure of this protection each country must decide for itself.

To show conclusively that Great Britain alone among leading nations professes devotion to free trade, it is only necessary to refer to the tables of import duties levied by the different European countries on foreign products, published by our government in the Monthly Reports for July, August, and September, 1869, of the Deputy Special Commissioner of the Revenue, Mr. Francis A. Walker. It appears from these tables, which are too long to be transferred to these pages, that every Continental European country

levies an import duty upon the manufactured goods and other products of other countries, and that iron and steel products are especially subjected to these duties. The tariff on iron rails in the leading Continental countries of Europe was as follows in 1869: France, \$11.91 per ton of 2,240 pounds; Germany, \$12.19; Austria, \$24.38; Russia, \$9.74.

If it be argued that these duties are not levied for protection, but for revenue, we answer that all or nearly all of the duty-paying articles compete with articles which are produced by the countries which impose the duties, and that the policy of free trade means the *free* exchange of commodities between nations. If neither the principle nor the practice of free trade is adopted by the countries of Continental Europe, then they can not in any sense be properly claimed as its converts, even in part. Protection and revenue are not incompatible elements in the formation of a customs tariff; but free trade and revenue from customs are absolutely incompatible when one country exchanges with another products that are common to both. There may be revenue, but there is no free trade. The tariffs of Continental Europe embody the principles of protection *and* revenue in a majority of cases where duties are levied on commodities which compete with home productions; but where these duties are so high as to preclude the presumption that they are intended to encourage even moderate imports, the principle of protection only is preserved. France, Russia, and some of the other countries named in Mr. Walker's tables are examples of the imposition of such high duties. But France, which has been remarkably consistent in her devotion to the protective policy since the days of the first Napoleon, has gone further than this—gone further than the United States has ever gone. France has positively *prohibited*, and does now prohibit, in her general tariff the importation of many articles which her own people can produce. The United States can not export to France to-day, upon any conditions whatever, refined sugars, tobacco for private account, certain kinds of cast and forged iron, cutlery, copper in certain forms, certain chemical products, common soaps, fine stoneware and earthenware, glass bottles, goblets, etc. The revenue which France derives from these prohibitory duties is not apparent, but the protection which her manufacturers derive from some of them is plain. Her tariff is eminently a protective one, as is her whole fiscal system. A bounty to the exporters of French sugar encourages its production by facilitating its introduction into foreign markets.

But Great Britain herself is not the consistent and zealous devotee

of free trade that she affects to be. Putting aside for the moment the fact that she did not announce her conversion to free trade until within the memory of the present generation, and until it suited the interests of her trading classes to do so, we proceed to inquire whether she *now* practices the whole of the creed she is so ready to preach to others. We have before us an English reprint of the British tariff that was in force in 1875, with accompanying statements, and from this publication we learn that the government of Great Britain derived an income of £20,637,855 (about \$100,000,000) as revenue from customs in the fiscal year 1873-4. Examining the items of which this aggregate is composed, we learn that the duty on tobacco realized £7,399,074; on tea, £3,251,203; on brandy, £2,248,546; on wine, £1,793,112; and on dried fruits, £457,513. Many other articles paid duty in that year, including beer, coffee, rum, whisky, pickles, vinegar, gold and silver plate, and a long list of such chemical products as alcohol, chloroform, and varnish. In the nine years from 1866 to 1874 the income of the British government from customs amounted to £193,658,436 (about \$968,000,000). The receipts of the United States from customs during the same nine years amounted to \$1,668,349,914. Thus Great Britain, nominally a free-trade country, derived from duties on customs in nine years an income equal to *fifty-eight* per cent. of that derived from the same source by the United States, a country which has a confessedly protective tariff.

The commodities from which Great Britain derives the large customs revenue to which we have alluded are the products of *foreign* countries, and the duties imposed are a *tax* upon the industries of those countries for the benefit of the British treasury. Thus, China is made to pay a tax upon her tea sold to the British Islands; Brazil upon her coffee; Germany upon her beer and spirits; the South of Europe upon its currants, raisins, and figs; and the United States upon her tobacco and distilled grain, her alcohol, etc. These taxes are a restriction upon the free exchange of commodities, and their existence confutes most completely the pretense that Great Britain is a free-trade country. This pretense appears all the more daring when it is considered that the British government and British manufacturers demand of the countries we have named, and of other countries, that the products of British industry shall not be subjected to the payment of any tax whatever when they enter foreign ports and foreign markets. China is taxed upon her tea, but China must not tax English cottons; Brazil is taxed upon her coffee, but Brazil must not tax English iron and steel; the South of Europe

is taxed upon its fruits, but the South of Europe must not tax English machinery and cutlery; the United States is taxed upon her tobacco, whisky, alcohol, varnish, etc., but the United States must not tax English hardware, salt, woolen goods, linen, etc. All the world must be taxed to support the British government, but all the world must maintain its own police regulations and pay its debts as best it can. It is all right, for instance, for the tobacco-growers of the United States to be taxed to help pay the interest on the British national debt; but it is all wrong for British manufacturers, when they enter our markets, to be taxed to help pay the interest on *our* debt.

British theoretical free trade means the free exchange of commodities between nations. It nowhere exists: it is a myth. The only real free trade known to civilized nations is that which governs the exchanges between the people of the same country. It is the only kind of free trade that, in the nature of things, ever can exist; for each nation must care for its own interests, and these interests are never identical with the interests of other nations. Between the different sections of the United States, for instance, all trade is absolutely free; while all the sections are alike protected against foreign industrial assailants, come they in what guise they may. Great Britain imposes duties upon those commodities entering her ports which it suits her to tax, and upon those which it suits her to admit free of duty she imposes no duty. Yet she asks other nations not to impose duties upon such of her products as seek their markets. This is not free trade, nor the shadow of it. It is not *fair* trade. It is the policy that gives a glass bead in exchange for a nugget of gold, or an iron hoop for a handful of precious gems.—
From The American Iron Trade in 1876.

THE FARMERS AND PROTECTION.

We would not ignore the fact that the farmer's home market is always his best market; but, as he annually relies upon foreign markets to take a portion of his surplus crops, he should know that protection opposes no obstacles to his wishes. It should be remembered, too, that the wheat and corn and other farm products which are sold at home or shipped abroad have cost the farmer less labor in their production and transportation during the last fifteen years of protection than in preceding years, for he has had the use of improved machinery and of a wide-reaching railway system, both of which have been largely created by the protective policy.

Protection stimulates labor-saving inventions, and, by building up manufactures and developing the resources of the country, it encourages the construction of railways, and cheapens the cost of railway material, and consequently of railway transportation. Not only is less labor required to produce and market a given crop in late years than was formerly required, but the money cost of producing and marketing that crop is reduced by the use of improved machinery and by the extension of railway facilities, so that the ability of the American farmer to compete in foreign markets with foreign farmers is greatly increased. And this is the real secret of the increased exportation of American breadstuffs and provisions in late years.

It is frequently alleged that foreign countries will not buy our agricultural products if we do not buy their manufactured goods. But this is a serious mistake, as has been amply demonstrated by experience. To illustrate: In the fiscal year 1872 we imported iron and steel and manufactures thereof aggregating \$55,540,188 in value, and we exported 26,423,080 bushels of wheat, valued at \$38,915,060, or \$1.47 per bushel. In the fiscal year 1874 we imported iron and steel and manufactures thereof aggregating \$33,793,546 in value, and we exported 71,039,928 bushels of wheat, valued at \$101,421,459, or \$1.42 per bushel. In 1872 the value of our imports of iron and steel was almost seventeen millions of dollars in excess of the value of our exports of wheat; whereas, in 1874 the value of our exports of wheat more than trebled the value of our imports of iron and steel. The reader will see at a glance that our agricultural exports do not depend at all upon our willingness to take foreign manufactures in exchange for them. Foreign countries will buy our breadstuffs and provisions because they must have them or because they are cheap. When the harvest is good in England, for instance, our exports of food products to that country will always decrease; when the harvest is poor, will England, in her extremity, higgler about the quantity of iron and steel we are willing to take from her? She never has done this.—*From The American Iron Trade in 1876.*

OUR PROSPEROUS FARMERS.

Under this caption the Chicago *Inter-Ocean*, an ever-vigilant and sagacious guardian of the interests of Western farmers, publishes some statistics to show that the West has been fairly prosperous

notwithstanding the panic, and that this prosperity has been due to the prosperity of the farmers. It says:

Taken as a class, our farmers have been favored, during the last three years, with an extraordinary demand for their breadstuffs and provisions, for which they have received steadily remunerative prices. It has been a matter of common comment that while the values of manufactures, of real estate, and, indeed, of nearly all kinds of fixed investments, have been progressively declining, the values of staple articles of food, and even of vegetables, have been well sustained. The purchasing power of farm products, as measured in other articles, has never been so great as now, within the memory of the oldest inhabitant. An unprecedented foreign demand for our agricultural staples, in recent years, by withdrawing the superabundance of our domestic market, has prevented a glut, maintained good prices, and kept our farmers prosperous, despite the derangement and depression, almost amounting to paralysis, in many other branches of industry.

The writer proceeds to adduce Government statistics to show how fully the above statements are sustained by the facts. The exports of wheat, since June 30, 1869, have been as follows, a calculation of average price per bushel each year and for the whole period being added:

Years ending June 30.	Bushels.	Values.	Average price per bushel.
1870.....	86,584,115	\$47,171,229	\$1.28.939
1871.....	34,304,906	45,143,424	1.31.595
1872.....	26,423,080	38,915,060	1.47.277
1873.....	39,204,285	51,452,254	1.31.241
1874.....	71,039,928	101,421,459	1.42.767
1875.....	53,047,177	59,607,863	1.12.368
1876.....	55,073,122	68,382,889	1.24.167
Total.....	315,676,613	\$412,094,178	
Average.....	45,096,659	\$58,870,597	\$1.30.543

These are significant totals, even standing alone, but a comparative view will place them in a still more signal light. An annual statement in detail of our foreign trade was first ordered by Congress to begin September 1, 1820. From that date to July 1, 1870, embracing forty-nine fiscal years, our aggregate exports of American wheat footed up 254,573,057 bushels, valued at \$342,233,361. In other words, within the last seven years, or during just one-seventh of the previous period, we exported 61,103,556 bushels more, and \$69,860,817 more in value. Exports of wheat flour for the same term offer an exhibit of similar significance:

Years ending June 30.	Barrels.	Values.	Average price per barrel.
1870.....	3,468,333	\$21,169,593	\$6.11.249
1871.....	3,653,841	24,098,184	6.59.393
1872.....	2,514,535	17,965,684	7.14.076
1873.....	2,562,086	19,381,664	7.56.480
1874.....	4,094,094	29,288,094	7.14.641
1875.....	3,973,128	23,712,440	5.96.820
1876.....	3,935,512	24,433,470	6.20.840
Total.....	24,196,529	\$160,004,129	
Average.....	3,456,647	\$22,857,733	\$6.61.269

Here, as before, we see the totals of both quantity and value augmenting since the panic. These are evidences of thrift, not of industrial depression, throughout the agricultural community. From August 31, 1820, to June 30, 1870—about forty-nine years—the aggregate exports of wheat flour were 93,674,714 barrels, valued at \$590,456,860. Thus, within seven years, we exported 25.83 per cent. of the quantity, and 27.1 per cent. of the value, of the aggregate exported during the previous period seven times as long.

Next, if we reduce barrels of flour to equivalent bushels of wheat, at the standard rate of five bushels to the barrel, we shall have a sum total of 722,946,627 bushels for the forty-nine years, as the aggregate of wheat flour and of wheat combined exported for that term, and, in like manner, 436,669,258 bushels for the last seven years. According to these figures we exported, within the short period, 60.4 per cent. of the entire quantity, and 61.34 per cent. of the entire value, exported within the long period. It is plain, moreover, that higher export prices, on an average, were realized in the seven than in the forty-nine years.

Now let us take up the exports of corn, as follows :

Years ending June 30.	Bushels.	Values.	Average price per bushel.
1870.....	1,392,115	\$1,287,575	\$0.92.490
1871.....	9,826,309	7,458,997	.75.908
1872.....	34,491,650	28,984,365	.69.537
1873.....	38,541,930	23,794,694	.61.737
1874.....	34,434,606	24,769,951	.71.938
1875.....	28,858,420	24,456,937	.84.748
1876.....	49,493,572	33,265,280	.67.211
Total.....	197,038,602	\$139,017,799	
Average.....	28,148,372	\$19,859,686	\$0.70.554

Again we see a rapid gain, notwithstanding the panic. Even a monetary revulsion seems to have been unable to visit any of its crushing or prostrating effects upon the farming community as a class. If we repeat the comparison previously made, we shall find

that the exports of corn, for the forty-nine years specified, were 208,821,522 bushels, valued at \$157,867,469. It thus appears that during that long period we exported only 11,782,920 bushels more than we did during the last seven years, but with total value greater by \$18,849,670.

The *Inter-Ocean* claims, and with great truth, that the continued prosperity of Western farmers is owing to the policy of protection to home industry. That policy gridironed the North with railroads, and multiplied lines in the South; cheapened the cost of crop culture by stimulating the inventive genius that has supplied such varied additions of labor-saving machinery for agriculture; reduced the expense of transportation by diminishing the outlay for railway tracks and rolling stock, and by increasing competition for freights; and prospered our farmers by thus enabling them to undersell Russia in the foreign grain markets.

SOME OF THE EFFECTS OF PROTECTION ON PRICES IN THE UNITED STATES.

The following memorial to Congress, signed by more than ninety officers and managers of leading railroads in all parts of the country, was presented in 1870:

Immediately before the construction of the first steel-rail manufactory in this country, foreign makers charged \$150 per ton (equal then to \$225 currency) for steel rails. As American works were built, foreign skilled labor introduced, home labor instructed, and domestic irons, clays, ganister, and spiegel (after many and expensive trials) found to produce excellent rails, the price of the foreign article was gradually lowered, until it now stands at less than \$79 per ton in gold, or \$96.38 currency. Now that several millions of dollars have been expended in machinery, furnaces, and experiments in perfecting the process of manufacture in this country, and numbers of our own citizens are dependent upon it for support, the business is threatened with annihilation by the pressure of English and Prussian makers. We, as users of steel rails, and transporters of the food and material for American manufacturers and their numerous employes and skilled laborers, do not desire to be dependent exclusively upon the foreign supply, and therefore join in asking that, instead of the present *ad valorem* duty, a specific duty of two cents per pound be placed upon this article.

The duty was fixed at \$28 per ton, gold, and to-day Bessemer steel rails of best quality can be bought at American mills at \$55 currency. Domestic competition, induced by protective duties, has given to American railways cheaper steel rails than English manufacturers, without this competition, would ever have given them.

For more than a year foreign steel rails have almost ceased to come into this country, yet in that time American rails have fallen in price \$20 a ton, solely as the result of home competition.

The manufacture of cut nails is an American invention, originating near the beginning of the present century. When it was first undertaken in this country, wrought nails, which then cost 25 cents a pound, were largely imported; hence the necessity for protection to the new industry. By the tariff act of 1824 the duty on all nails was made 5 cents per pound, at which it remained until 1833, since which year it has been reduced. Prices of cut nails have ranged as follows during the past fifty years: In 1828 the price was 7 to 8 cents per pound; in 1829 it fell to 6 and 7 cents; in 1830 to 5 and 6 cents; in 1833 to 4 and 6 cents; from 1835 to 1840 the price was from 5 to 7 cents, falling in 1840 to 5 and 6 cents; in 1842 the price fell to 3 and 4½ cents; in 1844 and 1846 it was 4 and 5 cents; in 1855 it again fell to 3 cents; in 1861 it was 3 cents. Like all other products, the price advanced during the era of war prices, but before the panic of 1873 it had again fallen to 3 cents, and on the 1st of January, 1876, the price was 2½ cents. It will be noted that, in 1830, six years after the duty was made 5 cents per pound, the price was the same as the duty; that, in 1833, the price fell below the duty; that, in 1842, it was 2 cents per pound below the duty; and that, on the 1st of last January, it was just one-half the duty of 1824, and about one-fourth the price charged for cut nails when that duty was imposed. Political economists who receive their inspiration from our industrial adversaries sometimes allege that the duty is always added to the price. The history of the manufacture of cut nails is an illustration of the fallacy of their theory. Protection and home competition brought down the price of cut nails far below the duty, and drove out of our markets the English wrought nails with which they had for many years to compete, and which in 1828 cost from 10 to 17 cents a pound. For a long time we have exported nails to foreign countries, the value of the exports of nails and spikes in the fiscal year 1875 amounting to half a million of dollars.

The history of a celebrated American manufactory of saws presents a striking example of the cheapening effects of protective duties. Prior to the Revolution, and for many years after its close, saws were not made here. All our saws came from abroad, and we paid for them just what foreigners were pleased to charge us. In 1840 an American mechanic, Henry Disston, commenced the manufacture of saws in Philadelphia in a small way. At that time

English saws, with the name of the maker marked upon them, sold in our markets at prices ranging from \$15.75 to \$19 a dozen. Mr. Disston was obliged to sell his saws for less money, as his goods were unknown, while the English saws had a reputation; but after the Disston saw became known and its reputation was established the English saws were gradually driven out of our markets and prices were still further reduced to consumers. In 1876 Henry Disston & Sons are sending saws to *England*, warranted equal to the best saws made in that country, and selling them at \$10.50 a dozen, fully fifty per cent. less than the price Englishmen charged us in 1840. When Mr. Disston commenced business, inferior saws of foreign manufacture were sold in this country at \$4.50 a dozen, and he could not make saws for less than \$7 a dozen, but now Henry Disston & Sons ship common saws to South America at \$4.50. The exports of their goods in 1875 amounted to fully \$100,000. But for protection, Henry Disston and his sons never would have been in a position to compete successfully in this country with foreign makers of saws; they never would have been able to find a market in other lands in one year for \$100,000 worth of their products; this country never would have had as cheap saws as are now supplied to it; and all the benefits resulting from the employment of the labor of the country in the manufacture of saws never would have had an existence. The Messrs. Disston make their own steel.

Before axes were made in this country, except by country blacksmiths, English axes cost our farmers and others from \$2 to \$4 each. By the tariff of 1828 a protective duty of 35 per cent. was levied upon imported axes. Under this protection the Collins Company, of Hartford, introduced labor-saving machinery, much of which was invented, patented, and constructed by themselves. In 1836 foreign and home-made axes were selling side by side, in the American market, at \$15 to \$16 per dozen, at which time foreign producers withdrew their competition, abandoning the entire market to American manufacturers. Then home rivalry and improved methods continued the decline in prices. Axes were selling, in 1838, at \$13 to \$15.25 per dozen; in 1840, at \$13 to \$14; in 1843, at \$11 to \$12; in 1845, at \$10.50 to \$11; in 1849, at \$8 to \$10. In 1876 the price of the best American axes in the market is \$9.50 per dozen in currency, and the country *exports* large quantities to foreign markets. English writers admit the superior excellence of American axes. The Collins Company makes its own steel, and a letter from the company now before us claims that it is "*better*

than any English steel we can buy, and we have been steel consumers for fifty years. We now only make for our own consumption, and we have no disposition to cheat ourselves."

We are aware that it is claimed by the advocates of the policy of British trade domination that low prices in protective periods are not produced by protection—that they are due to other causes. It is to be remarked that this plea is made by the very same persons who constantly insist that prices are always *increased* under protection—that the duty is always added to the price, and that the consumer pays the duty. The two theories are not harmonious, but conflicting, and may be permitted to destroy each other. If prices are uniformly cheapened under protection, there must be a cause for it, and if that cause is not protection, who has shown that it is anything else? If prices are *not* cheapened under that policy, but increased, then the prices of Collins's axes, Disston's saws, cut nails, and Bessemer rails should have advanced after protection had encouraged the investment of capital which made their manufacture possible. But did they? Did the purchaser of cut nails at three cents a pound pay a duty of five cents a pound in addition to a fair price for the nails? Does the purchaser of American steel rails at \$55 a ton pay a higher price for them than when the English rail-maker had entire control of our market? The duty on steel rails is now \$28 a ton, equal to \$32 currency. If this duty were wholly repealed, is it within the bounds of probability that English rail-makers would supply our railroads with steel rails at \$23 a ton in currency? The duty on silks averages fifty per cent. of their foreign value. Instead of the price of silk goods having been increased by the amount of the duty, it is a fact that they never were so cheap in this country as they are to-day, and that their use was never so general as now.

It is clearly the tendency of protection to decrease prices, and of the denial of protection to increase them, as has been shown. But if protection did not affect prices either way, exercising no influence upon them whatever, it is certainly true of it that it fosters the development of the national resources, and thus provides employment for our own people. It supplies a market for the skilled labor of our countrymen and a market for the farmer's produce. It gives the home market to the home producer, preferring to foster his industry rather than that of the foreign producer. In accomplishing these patriotic and manly purposes, protection largely adds to the national wealth and increases the prosperity of all classes and their ability to buy at any price.—From *The American Iron Trade in 1876*.

HOW PROTECTION TENDS TO INCREASE OUR EXPORTS OF MANUFACTURED GOODS.

The first effect of protection is to give diversified employment to our people at good wages, and thus the first essential condition necessary to the production of manufactured goods, either for home or foreign consumption, is secured. Being thus employed, the influence of the common school and of republican institutions produces intelligent workmen; the prospect of some day becoming employers of others produces ambitious workmen; and all these influences combined afford a constant incentive to achieve the best possible mechanical results. The American mechanic is always striving how to *better* his condition: the European mechanic, denied the compensation and the opportunities of his Transatlantic brother, is always considering how he can *keep* his position. He makes but little effort to improve his mechanical methods. If we now add the spirit of competition between employers which protection always excites, and which high wages always compel, we have all the elements necessary to foster the naturally inventive genius of our people, from which come labor-saving machinery, improvements in old methods, novel designs, a simplification of means to ends, and excellence of finish. Labor-saving machinery cheapens the cost of production and usually improves the character of the product: joined to the other mechanical accomplishments mentioned, both cheapness and excellence are certainly secured. Possession of the home market is the first result of these achievements, and afterwards the foreign market is entered in competition with the products of mere hand labor and antiquated machinery—this hand labor and antiquated machinery being direct consequences of low wages and a low state of society. Thus do many of our manufactured products find a market abroad. The *London Times* a few years ago comprehensively stated in the following words the philosophy of the increase in this class of American exports:

The Americans succeed in supplanting us by novelty of construction and excellency of make. *They do not attempt to undersell us in the mere matter of price.* Our goods may still be the cheapest, but they are no longer the best, and in the country where an axe, for instance, is an indispensable instrument, *the best article is the cheapest, whatever it may cost.* Settlers and emigrants soon find this out, and they *have* found it out to the prejudice of Birmingham trade.

The American wants the *best* of everything; the European is content with old styles, coarse materials, and often with mere

cheapness without regard to quality. The American mechanic, alike with the American merchant and professional man, will not wear wooden shoes or coarse brogans, because he can afford good leather shoes; he will not wear corduroy pantaloons or check shirts, because he can afford to wear pantaloons made of good woollen cloth and white muslin or linen shirts; he will not wear a coat made of shoddy, or use a tool that will not "carry an edge" or perform its work well. He is *above* all these expedients and inventions of a lower industrial plane than that upon which he moves. He will not use these things, and he does not make them. American manufactured products sent abroad are therefore all that they are represented to be, and they are represented to be the best that can be made. The people of China and Japan, South America, and other countries have been so often deceived by British manufacturers, who have studied cheapness rather than excellence, especially in manufacturing for foreign markets, that American goods have grown in their favor because they are honestly made and are of superior quality.

But if we can export certain manufactured products, such as hardware, machinery, leather, etc., in competition with all other countries, why protect *these* articles by high duties? We answer: Why kill the goose that lays the golden egg? If protection has wrought results so beneficial to our country, why abandon it in the case stated? But there is a better reason for maintaining the protective policy without yielding so much of it as a hair's breadth. The assaults of free trade are always concealed and treacherous. If one or two or half a dozen industries be surrendered to its sophistries, even although for the time they could retain their vigor, an attack upon the whole line of protected industries would be certain to follow. With the Trojan horse once inside the gates, the whole city would be taken. With industries destroyed which could only exist with protection; with closed factories and workshops standing as monuments of national folly; with the country robbed of its general prosperity and the home market largely curtailed, how could those other industries, which protection has benefited the most, long remain prosperous? The home market is the most valuable of all markets, and no industry, be it ever so favored, can afford to lose it. Furthermore: protection for even our most firmly established industries is needed to prevent the possible unloading upon our markets of the surplus products of other countries. England, for instance, manufactures many articles which she sells largely to her colonies and to other non-manufacturing countries at

profitable prices; but a surplus of these articles may be left on her hands, which, rather than not sell at all, she can well afford to sell to the people of this country, if permitted, at less than their actual cost. Protection against such competition as this is wise and necessary. No man in business—no workingman at his bench or anvil—should be subjected to the risk of such an assault upon his capital or labor.—*From The American Iron Trade in 1876.*

THE "GOOD OLD TIMES" WHEN THERE WERE NO MANUFACTURES.

Before manufactures were fairly established in this country, supplying a home demand for agricultural products and surplus agricultural labor, and furnishing manufactured goods at low prices, the condition of American farmers and of all other laborers was one of great hardship and many privations. The following bit of personal history in the life of A. H. Wrenn, of Mount Gilead, Ohio, shows some of the results which followed a general dependence on foreign workshops less than fifty years ago, in a section of the country where domestic manufactures had not been established.

In 1829 my father's family emigrated from Alexandria, Virginia, and settled near Salem, Columbiana county, Ohio. A large portion of the inhabitants were thrifty, hospitable Quakers. Let us take a view of the prices of articles in those days. The farmer would sell, when he could, wheat at 31 cents; corn and rye, 15 to 20 cents; potatoes and oats, 10 cents per bushel; apples and peaches he would give away; eggs, 3 cents per dozen; butter, 5 cents per pound; pork and beef, 2 cents per pound; hay, \$3 to \$4 per ton; cows, \$8 to \$10; oxen, per yoke, \$30 to \$50; good horses, \$30 to \$50; sheep averaged about \$1; wool, 20 to 25 cents per pound. The above were the usual prices for several years, except when the scarcity of some article caused higher prices. Farm and other laboring hands \$7 to \$10 per month and board; in harvest a little higher. The writer cut many an acre of wheat at 25 cents; cut and split rails at 40 cents per hundred; cut wood at 20 to 25 cents per cord. If any of us youngsters happened to be qualified to teach school in the little log-cabins, and put in our full time, we thought we were doing well to get \$12 per month; mechanics of different kinds got 50 cents to \$1 per day. We had generally to be on hand before sunrise. Money was a very scarce article in those days.

Let us look at what we had to pay for articles bought from the merchants. Tea, and that not the best, \$2 to \$2.50 per pound. The writer once took three bushels of wheat and traded it for a half-pound of not very good tea. Coffee, 35 to 50 cents; pepper and spice, 60 cents; satinets, at all suitable for a decent suit of clothes, from \$2 to \$3 per yard; and those that could afford the luxury

of broadcloth paid from \$5 to \$8 per yard for none of the best; salt, \$5 per barrel; shirting, 25 to 40 cents; calico, 30 to 45 cents; all dress goods in the same ratio.

The following is an extract from a speech delivered at Great Falls, New Hampshire, February 21, 1872, by Henry Wilson, afterwards Vice-President of the United States.

The first month I worked after I was twenty-one years of age, I went into the woods, drove team, cut mill-logs, wood, rose in the morning before daylight and worked hard until after dark at night, and I received for it the magnificent sum of six dollars. Each of those dollars looked as large to me as the moon looked to-night.

On the farm on which I served an apprenticeship I have seen the best men who ever put scythe in grass working for from fifty cents to four shillings a day in the longest days of summer. Yesterday I visited that farm. I asked the men who were there what they paid men in haying-time last summer, and they said from two dollars to two and a half a day. This was paid on the same ground where men worked forty years ago for from fifty cents to four shillings, and took their pay in farm products, not money. I have seen some of the brightest women go into the farm-houses and work for from fifty cents to four shillings a week, milking the cows, making butter and cheese, washing, spinning, and weaving—doing all kinds of hard work. I was told yesterday that many young women were earning in the shops a dollar a day, and that those who worked in houses were getting from two dollars and a half a week to three dollars and a half.—*From The American Iron Trade in 1876.*

SOME OF THE ADVANTAGES WHICH MANUFACTURES BRING TO A TOWN.

1. A considerable permanent addition is at once made to the population, in the shape of many skilled workmen, who prove auxiliary to every other kind of business carried on in the neighborhood.
2. The values of real estate are enhanced by the erection of large buildings in which to carry on the processes of the manufacture, and by the appropriation of larger areas to accommodate the dwellings built for the employes.
3. The sudden increase of numbers involves a correspondingly larger consumption of articles of necessity, comfort, and taste, on the spot, and thus enlarges the sphere and intensifies the activity of the various classes of business previously carried on, besides opening a demand for several new kinds which are generally attracted to a community by any considerable increase of inhabitants.
4. The wages earned by the factory hands are spent on the spot,

and help to energize every material interest of the town, making money plentier, trade brisker, prices cheaper, sales larger, commodities more various, and improvement more ambitious.

5. The tax-paying power of the community is much augmented, leading to a bettered condition of roads, bridges, streets, pavements, public buildings, and the like.

6. There being many more children and many more grown people, a demand springs up for better school accommodations and for larger churches, bringing not only a higher grade of talent in each department of human needs, but a decided advance in architectural excellence.

7. So many more letters are written and so many more newspapers and magazines are received, that an increase of mail facilities soon follows as an inevitable consequence.

8. One factory having been established, it becomes easier to attract to the place other manufacturing enterprises which are auxiliary to the first.

9. So far as the people are consumers of the articles consumed in the factory, they become direct purchasers from the manufacturers, thus dispensing altogether with the profits extorted by middlemen, and making a gain by greater cheapness of price paid for the articles, such always being the result of placing producer and consumer side by side.

10. Farmers in the neighborhood are benefited by securing an improved local market for the sale of their produce; and sometimes, as in the case of a woolen, flax, or paper mill established, are able to sell their wool direct to the manufacturer, or to obtain a round price per ton for the straw which they formerly burned as a useless incumbrance, worth to them only as ashes for manure.—*Chicago Inter-Ocean.*

THE REGENERATION OF THE SOUTH.

The building up of the South is to be accomplished only by the use of many instrumentalities, of some of which it would not become us to speak. But there is one which we may properly mention, for it relates to the material prosperity of the South, with which the making of iron is closely identified. We refer to domestic manufactures. The South may educate its children, secure rest from political strife, become a promised land to the sturdy immigrant, receive additions to its banking capital, and be greatly benefited by

all of these, yet it will not attain the degree of prosperity to which it is adapted and which the remainder of the Union has long enjoyed until it becomes the home of manufacturing enterprise—becomes more industrially independent than it now is.

The great progress that has been made by some of the States of the South in the manufacture of iron is an example of what the South is capable, and of the benefits which she may derive from a diversification of her pursuits. All of the iron establishments of the South give employment to many thousands of miners, ironworkers, and other workingmen, and their products contribute to the supply of the home demand for iron, thus keeping the money of the people circulating at home instead of sending it abroad. They do more than this. They bring money into the South to pay for iron products which other communities must have. Tennessee iron is sold in all the markets of the West; Alabama iron is used to make car-wheels in Philadelphia, and Alabama iron ore is sold to Indiana furnaces. The Vulcan Ironworks of Richmond ship largely of their products to Cuba and South America, and make fish-bar bolts for the Northwestern, Canada Southern, New York and Erie, Midland, Chicago, Alton and St. Louis, and other railways. The famous Tredegar Ironworks of the same city have found a new field for their enterprise in constructing engines and vacuum-pans for the sugar plantations of Cuba, and railroad cars for Cuban railroads.

What the South has done in iron it should do in other industrial directions. If it would manufacture one-third or even one-fourth of the cotton which grows in its fields; if it would make its own boots and shoes; if it would manufacture its own agricultural implements, such as axes, hoes, plows, reapers, and mowers; if it would make its own stoves, nails, horse-shoes, steam engines, gas pipe, and water pipe; and, generally, if it would produce more and buy less, the day of its complete regeneration would be close at hand. An influential Southern journal, the *Rural Sun*, of Nashville, in an article declaring that manufactures are wanted as "an aid to farming," shows at how low an ebb manufactures are in the comparatively progressive State of Tennessee. It states, among other facts, that, in 1870, "of the agricultural implements used in the State, valued at \$8,199,487, not one-tenth were manufactured by our own mechanics. Of the 2,500 reapers used in the State, not one was manufactured here, and a very small percentage, probably not over one per cent., of the 150,000 plows and hoes, 200,000 axes, 40,000 mattocks, etc. Not a single trace chain, of the 250,000 used, is made in the State, and but few horse collars." The editor of a Georgia

paper recently stated the situation in his State in these words: "A Georgia farmer uses a Northern axe-helve and axe to cut up the hickory growing within sight of his door, plows his fields with a Northern plow, chops out his cotton with a New England hoe, gins his cotton upon a Boston gin, hoops it with Pennsylvania iron, hauls it to market in a Connecticut wagon, while the little grain that he raises is cut and prepared for sale with Yankee implements. We find the Georgia housewife cooking with an Albany stove, and even the food, especially the luxuries, is imported from the North. Georgia's fair daughters are clothed in Yankee muslins, and decked in Massachusetts ribbons and Rhode Island jewelry." The people who are so dependent upon others as the Tennesseans and Georgians are here declared to be can never become prosperous. How much better would it be for every Southern city if it would adopt the policy of Louisville, a sister Southern city, which, on the 31st of August, 1874, had in successful operation more than 500 manufacturing establishments, representing an investment of \$20,000,000, producing wares annually estimated at \$56,000,000, employing constantly 10,000 persons, and paying out annually for labor about \$8,000,000?

At Columbus, Georgia, the manufacture of cotton is successfully and profitably prosecuted. There are several mills, running about 40,000 spindles, and the Boston *Commercial Bulletin* significantly says of them, in its issue of November 28, 1874, that "there is nothing visionary about the handsome dividends that the mills of Georgia, even in these trying times, are paying to their stockholders." At Atlanta, Georgia, an effort is being made to establish a cotton factory, and in referring to it the *Daily News* of that city, for November 26, 1874, makes the following argument in favor of the policy of building cotton factories everywhere throughout the cotton belt:

When cotton is shipped to Boston to be manufactured, there is the freight of transporting the raw material to be paid. After the staple is made up into manufactured goods, then, before Georgians can use it, it must of course be freighted back to the merchants. Here is a second expense. The manufacturer does not pay it all. His price is raised sufficiently high to save him. The Southern merchant does not even pay it all, for he prices his goods high enough to cover all unavoidable expenditures. Now, who does actually have to pay for all this shipping, freighting, etc.? Why, the old farmer himself, and nobody else. He finds that he has spent all the money he realized from the sale of his raw cotton in the fall to buy it back in the spring in the shape of cloth.

The *News* proceeds to show the saving in freight and commissions which would result to the Southern farmer were he able to secure his supply of cotton goods from a factory established in his own neighborhood, and then adds:

So just see what a broad difference! But this is not all yet. Every factory established thus forms a little community within itself. The members of this community are, moreover, made able, by the wages paid them, to become consumers, and just see what an enormous sum they expend for all kinds of country produce alone. Here again the planter is materially benefited. Sir John Byles, Sir Edward Sullivan, and Mr. Carey have, in their valuable works, demonstrated the fact that a home market is worth more than a foreign one. Mr. Adam Smith was the great apostle of the English free traders, and yet even he concedes this point, and is perhaps more explicit thereupon than many others who are open advocates of a protective system. So, if all this be true, why should not the South become a great manufacturing country? She has the water-power; she can obtain steam-power; and, above all, she has the pure staple growing in wasteful abundance on her fertile plains.

The *Rural Sun*, of Nashville, already quoted above, in its issue for November 26, 1874, makes an equally sensible appeal in behalf of diversified home industry for Tennessee, especially for Tennessee farmers. It says:

Tennessee, and the Southwest generally, must have greater diversity of production, if we would conquer the hard times. In no State of this Union are there better opportunities to diversify our productions than in this noble State of Tennessee. This diversity is one of the principal benefits which immigration will bring us. Is it not strange that, in a State so well adapted by its diversity of soil and climate, we are still dependent upon other States for many farm products that we could produce not only as well as but better and cheaper than those who supply us? Amidst all the cry of hard times, it is positively painful to take a walk round amongst our commission houses here in Nashville (and it is the same in every Southern city), and find Northern apples already in the market, Northern potatoes, Northern hay, Northern grass seed, Northern butter and cheese, and reflect what a drain upon our currency is constantly going on. Is it any wonder we are poor? It is bad enough that we import nearly all our manufactured goods, which with proper energy and combination we could produce at home, but surely in a State like ours we ought to produce our own food.

The South needs many things, but she needs greatly to encourage home manufactures and next to them a diversified agriculture. Through these combined influences she can prosper abundantly: without manufactures she will stand still indefinitely.—*From the Annual Report of the Secretary of The American Iron and Steel Association for 1874.*

THE RESULTS OF PROTECTION.—The revolt of our ancestors against Great Britain a century ago having been caused in part by their determination not to submit to free-trade plunder and the suppression of their infant manufactures, and the policy of this country having been ever since protective of our manufacturers, the general result of our hundred years of independence is fairly to be brought into court to testify whether degradation or advancement is the fruit of such a policy. Let those who prate of the prosperity arising from free trade produce a free-trade country showing attainments comparable to ours, or hold their peace for shame. That our progress might have been yet greater is most true, for our policy has vacillated in the degree of protection established at different periods, and in a similar degree has our growth been accelerated or retarded, as has been sufficiently demonstrated by Henry C. Carey. The depressed condition of many of our industries at this moment under a sufficiently high tariff does not invalidate this argument, since the depression is world-wide and is quite as marked in free-trade England as in protected America, having in fact produced more distress and bankruptcies there than here.—*Joseph Wharton.*

A CORRESPONDENT of the *Chicago Inter-Ocean*, writing from Princeton, Illinois, compares the prices of 1860 with those of 1876 as follows: "I sold *dressed pork* for \$2.49 per hundred: now in these hard times it is more than double on foot. Then corn was 15 to 20 cents: now 25 to 40. Wheat 60, now 90; and everything else in proportion. Then carpenters got \$1.25 to \$1.50 per day: now double. Bricklayers \$2.00 now to \$1.50 then." The *Inter-Ocean* remarks that its correspondent might have added that farmers and mechanics get their pay now in money that will keep, and not in red-dog, wild-cat, and other kinds of currency that used often to break before the recipient reached home. We have often expressed the opinion that hard as are the times now in this country, they have more than once been much harder—particularly in the free trade periods of 1837 to 1842 and 1857 to 1860.

QUESTION FOR FREE-TRADERS.—If the duty is always added to the price, and if the consumer pays the duty, why is it that the *foreign manufacturer* and the importing merchant are always so solicitous to have the duty removed?

THE PERIL OF FREE-TRADE ENGLAND.—ENGLISH TRIBUTES TO OUR PROTECTIVE POLICY.

The lesson which our International Exhibition has taught to free-trade England, namely, that protection has built up formidable rivals to her industrial supremacy, our own nation being the principal rival, is being freely commented on in English journals. We publish below liberal extracts from several letters to the *London Times*, most of which express well-grounded alarm at the rapid growth of American manufactures, which they rightly attribute to the protective policy. We take the liberty to italicize several sentences in all of these letters which possess especial significance, some of which should bring the blush of shame to the cheeks of American free-traders :

SIR:—I am glad to see that the danger to our manufacturers *from the competition of our American rivals* is receiving some discussion in your columns. No subject of more vital interest can engage the attention of mercantile men. I have had opportunity during a good many years to watch the progress of American manufactures, and I am satisfied that America is soon to become by very much *the most formidable competitor* we have ever known. It is probable that the Philadelphia Exhibition will hasten this consummation, and will be found hereafter to mark the opening of a new era for both English and American manufacturers. * *

The Americans have lately made surprising progress in the perfecting of their manufactures. There is still among them a love of foreign goods, but it consists with my observation that that preference weakens year by year as American products improve. All well-to-do men are still clothed in foreign woollens, the dye of which is reputedly more reliable than that of the native article. Ladies still assert, truly, that American silks want the lustre and attractiveness of European. Rich men still cover their floors with carpets woven in England or on the Continent. *But the American manufacturers will never rest till their cloths compare favorably with those of Europe*; and during the present year there have been started in New York silk and carpet factories, the products of which threaten to supplant even the finest grades of foreign goods in the favor of consumers. *The European producer holds the American market by a tenure which grows every year more precarious.*

Competition has compelled attention to the reduction of cost, and the results gained are highly important. As one illustration of

what has been done—perhaps as yet rather an extreme one—I may mention an article which some years ago cost the manufacturer 80c. per yard, and now costs him only 40. The same article imported from England costs 45c., *without duty*. The necessity of reduced cost by increased skill and economy is now thoroughly appreciated by the American manufacturers. * * *

America is year by year depending less upon foreign countries for the goods which her people consume. Her protective policy has been costly beyond all calculation, but it has made her a great manufacturing nation, soon to be independent of foreign supplies; and not merely that. With a producing power largely in excess of her own requirements, with abundant capital, experience, and energy, with an ample supply of labor, disciplined and intelligent, with legislative disabilities soon to be removed, and the cost of production reduced to the lowest point, America enters the arena as a competitor of England in all the foreign markets of which England has hitherto enjoyed a virtual monopoly. America has already ceased to take our iron. She will gradually cease to take our cottons, our carpets, our woolen cloths, our silks; and in a few years more we must be prepared to encounter in all the marts of our foreign commerce the irons, the cottons, the woolens, the silks of our enterprising kinsmen.

Let not English manufacturers delude themselves by a supine trust in the traditional supremacy of English manufacture. Beyond the Atlantic are a people with energy and skill equal to ours; with every advantage which we possess, and with no disadvantage excepting such as legislation has created and will shortly remove; above all, with a passionate eagerness for improvement, which contrasts ominously with our conservative disposition to tread in the steps of our fathers. These are our competitors in the future. I look, not unhopefully, on the prospects of English industry; but we shall incur great sorrows if we remain blind to the fact that *we are about to enter the era of a competition keener and more formidable than it has ever before been our misfortune to encounter.*

Your obedient servant,

August 28th.

A MANUFACTURER.

SIR:—After spending more than three months at the Philadelphia Exhibition I return home more deeply impressed than ever with the change that has occurred in the prospects of England as a manufacturing country. I have attended all the great international

exhibitions since 1851, and have seen with concern the gradual loss of position which England has suffered, until now she finds herself closely challenged in every department of industry, and in some, according to the judgment of experts, she holds the first place no longer, or holds it doubtfully.

I perfectly agree with the writer of the letter which appeared in the *Times* of the 31st ult., over the signature of "A Manufacturer," that the *Americans are on the point of becoming our most dangerous rivals*, and I indorse every statement that he makes in support of this view. I have watched closely during the last few years their rapid progress as a manufacturing people. *Their spirit and enterprise are boundless*. They have imported the very newest and best machinery of England, Belgium, Germany, and France; *they have tempted away, through agents sent over for the purpose, skilled workmen from each of these countries, giving preference, however, to those of England; and they are rapidly training an army of skilled workmen for themselves*. I can say, from my own knowledge as a practical man, and from the statements of friends upon whom I can rely, that in the departments of iron, wool, cotton, and a certain class of silk they can produce work which, in quality, is fully equal to our own. That the cost of production is greater than with us is very little to the point. That is a difficulty that will right itself. The great matter for us to note is that they can produce the article required. We may depend upon it the rest will follow in due time. *Out of their present commercial chaos order will surely come*, and, I fear, in a form for which we are quite unprepared. I marvel that so few of our leading manufacturers have as yet been over to Philadelphia, and I can not too strongly urge those who are interested in the branches of industry just named *to go and judge whether the alarm that is at last being sounded is a false one*. No descriptions, however graphic, no reports, official or otherwise, ought to be allowed to stand in place of a personal inspection. Nor is America the only country to be thus critically observed. France, Belgium, and Germany are old rivals, and have long been formidable; but countries hitherto almost unthought of as manufacturing centres are now taking a very respectable position, and are producing work which, if not equal to our own, is, at any rate, of sufficient excellence to shut out our goods from these markets. There are the woollens and porcelain as well as the wrought iron of Sweden; the hosiery, cotton, and woollens of Spain; the silks of Russia, the machinery and woollens of Canada, and the porcelain and metal work of Japan, all of which are admirable, and make a formidable list of addenda to our

catalogue of difficulties. Only a very small number of English manufacturers visited the exhibition at Vienna, and the mistake is being repeated at Philadelphia. It will be a serious misfortune if the two months which still remain are not better improved. The situation is so new and strange that nothing but a personal inspection of what the world is producing will convince our manufacturers of the true state of the case, and brace them up to make the extraordinary efforts which have now become necessary if we are to retain the position which still remains to us. I am, sir, etc.,

LIVERPOOL, Sept. 1, 1876.

A PRACTICAL MAN.

SIR:—I have read the letters of "A Manufacturer" and "A Practical Man," in your columns, with a feeling of amusement at the feverish alarm which the prospect of American competition has produced in their minds. I, too, am a textile manufacturer and a practical man, employing a population of some thousands, working with my own capital only, and managing my business in person. I have declined to send any samples of my productions to Philadelphia, as I am not disposed to give American manufacturers the opportunity of a full inspection and comparison of them so long as their government thinks proper to handicap me by import duties of fifty to sixty per cent. Under these circumstances, I also consider it would be a perfect waste of my time to go to the Philadelphia Exhibition, as I find it all little enough to devote to the daily study of the changing requirements of my home and foreign customers, of the fluctuations of prices, the constant perfecting of my machinery and working organization, and, most important of all, the health, education, and industrial training of my workpeople. As regards quality of goods, I can only say that mine are at least honest and unvarnished, and I will take care to keep them so. For many years past the home trade and several foreign markets have continually required better and more sterling fabrics, while the merchants who trade to high-tariff markets, the American especially, *have been as regularly asking for some skillfully-contrived deterioration of qualities to meet the exigencies of their position under high protective duties.* I find French competition severe; of American I have not the slightest fear as regards any future which affects living generations. If we are ever beaten, it will be only in consequence of the *undue shortening of our hours of labor* and the

deterioration of our working population through *excessive drinking*. On these points I confess I am anxious; but they are beyond my control, except in so far as my personal influence and the maintenance of a strict, but kindly, discipline in the works may affect the latter, and I fear that is, after all, very little.

I therefore feel, doubtless with many others, that the only wise course, both at present and in view of any competition we may be called to meet at a future day, is to do my own part calmly and diligently, troubling myself as little as possible with matters beyond my control. It may, however, be well to direct public attention to the impolicy of an undue shortening of the hours of labor by legislative enactment, which directly enhances the cost of production in this country, and to the important question whether *our government has done in past years, or is at present doing, all in its power to keep in hand and to increase its influence with our own colonies and foreign states to prevent their adoption or maintenance of heavy protective duties on our manufactures*. I am, sir, your obedient servant,

September 4.

DEIRA.

The self-complacent letter of "Deira" induced "A Practical Man" to write the editor of *The Times* a second letter, under date of September 8, from which the following extracts are taken:—

SIR:—May I be allowed a few words in reply to the various comments which have been made on my letter of 1st inst? I am not maintaining a thesis or entering into questions of political economy. I am only pointing out as emphatically as I can the fact that other nations, and notably the United States, are progressing more rapidly than ourselves in certain branches of manufacture. * * * I still hold that, although at present the cost of production in America is greater than with us, yet that this is only a temporary difficulty. Manufacturers have proved that they can produce the article required by the market, and they are now bending all their efforts to the reduction of cost. I can specify a class of English goods which have latterly been wholly superseded in the United States market by goods of native, or, as they have it, of "domestic" manufacture, and to the excellence of which I have had to bear unwilling testimony. I could mention another class which is evidently doomed to the same fate, as they can be produced on the other side of the water at a reduction of thirty-five per cent. as

compared with twelve months ago, and are now fractionally above English rates. * * * I have had the advantage of several years' residence in the country and speak advisedly, and I must therefore protest against having my statements pooh-pooh'd by stay-at-home correspondents, one of whom says that he has "not the slightest fear of competition," and considers that it would be "a perfect waste of time" to go to Philadelphia. If "Deira" chooses to wear rose-colored spectacles, well and good; but he must allow other people the use of their own eyesight. Ignoring a difficulty is not surmounting it, and it is just this impassiveness, this self-complacency of the English manufacturer, which is the worst symptom of the whole case.

A PRACTICAL MAN. *

SIR:—The question of English manufactures and foreign competition is continually presenting itself; it comes to the front again and again. There is doubtless considerable uneasiness about it; some element not quite understood; some difficulty in explaining the position, or why should it be everlastingly occupying people's attention? Your two correspondents, "A Manufacturer" and "A Practical Man," as well as your leading article on Monday, prove the existence of something wrong. English commerce is not running smooth, trade and finance are both out of joint, and there is no sign of improvement.

I trust you will permit me to show *how seriously the commercial policy of our modern statesmen* is influencing the general trade of the country. It is now universally acknowledged that there is very great depression in all the staple trades of the country—indeed, every day's experience is confirmatory of this sad fact. The circumstance of cash being only worth one per cent. is a proof that trade is not what it ought to be. Many reasons are given for this state of things; but I hold that your correspondent, "A Practical Man," in your impression of Saturday last, indirectly explains the position; although he only refers to American competition, he might pay a visit to the South Kensington collection, and he would see the excellence of the workmanship of other countries as well. The point I wish to direct serious attention to is this, that English products are virtually excluded from all foreign countries by high fiscal duties, especially so in America, and those who go to the exhibition in Philadelphia ought to remember that England admits all the manufactures of America absolutely free, but that America refuses to receive the productions of England only at

duties almost prohibitory; and so long as this one-sided system of commerce exists England and English interests must continue to suffer. It appears to me to be *very absurd* to suppose that, in these days of individual competition, English statesmen can *really expect foreign governments to expose their people to the competition of Englishmen; they never will do it. Why, sir, if America admitted the free importation of British goods, that country would be immediately inundated with such a vast quantity of all classes of manufactures that its own people would stand no chance, and hence it is it imposes such heavy duties.*

That there should be found in England a class of statesmen, whether Liberals or Tories, *who still persist in compelling their countrymen to submit to such a one-sided commercial system is a marvel.* Can it be possible that English statesmen are altogether ignorant of the *sure and rapid destruction of British trade* under the adverse foreign fiscal duties imposed upon it? Can it be possible that they are blind to the coming struggle among the producing class? Can it be possible that they will look with indifference upon the suffering hosts of people are now enduring, and will have to endure, by the loss of their occupation? Sir, you, as the acknowledged leader of the press, ought at least to permit the free discussion of this *one-sided commercial policy*, even if you do not help it, by your own powerful influence. Can the President of the Board of Trade really understand the vast national importance of the trade he is supposed to preside over? Does he know that the products of England are shut out of America by impossible duties? There is at present a great effort being made to introduce American watches into England. How are we treated by America in this particular article? If an English watch, made in London at a cost of £10, is sent to America, a duty of 25 per cent.—that is in cash £2 10s.—would be charged upon it, but England receives American watches free, and hence it is they advertise and push this particular trade, and thus injure the business formerly done by the watch-making industry of England? Can the Right Hon. President be alive to this great abuse? Can he, as President of the Board of Trade, understand the vast importance of this national sacrifice, not in one article, but in everything we make? *Our manufacturers and workmen are thrust out by the importation of foreign goods duty free, and are shut out of all foreign markets by the imposition of prohibitory import duties, a position too ridiculous to last with a generally declining commerce, and too ruinous to endure by those who live by the labor of their hands.*

HYDE.

THE LOSS IN TRANSPORTATION.—As an individual instance of the wasteful sort of transportation may be mentioned the case of a Wisconsin farmer who, in the year 1865, bought in Philadelphia a fine overcoat of French cloth for \$100, and on paying for it remarked that this coat cost him just 1,000 bushels of corn, since he had lately sold that quantity at home for ten cents per bushel. Now the expenditure of natural forces and of human labor in producing the 1,000 bushels of corn doubtless exceeded that of producing the overcoat ten or twenty fold, and, if the two articles had been produced side by side, 50 or 100 bushels of corn would have paid for the coat; but as it was, excepting some profit of middlemen, all the remaining 900 or 950 bushels of corn were lost in the mere transportation of corn from Wisconsin to France, and of a coat from France to Philadelphia, and were lost by the farmer; for he who seeks a market must bear all the cost of carriage thither, and he who wants goods must pay for their carriage also.

Of this unreasonable and unstable nature is a large part of England's great traffic. She holds producer and consumer artificially asunder, inserting between them her credits and her factories, and imposes upon the nations who deal with her the cost of maintaining her enormous fleets of merchantmen and war vessels, her swarms of merchants, bankers, middlemen, and agents, and her multitudes of luxurious idlers.—*Joseph Wharton.*

THE FRENCH TARIFF—HOW IT WORKS.—Those who believe the invectives which represent our tariff as unequaled in its enormity may be instructed by the following incident:—Late in the year 1873, I sent to Paris a small invoice of Nickel-Ammonia Sulphate. Shortly after, I heard that my customer had died, that the goods had been seized by the French government for violation of the customs laws, and that a fine of six hundred francs was levied upon the consignee, simply because that substance was not named in the French law; it was therefore not only prohibited but was confiscated. My application to be allowed to take back the goods was refused except on condition of first paying a duty of thirty-six per cent. Finally, as a favor, the goods were surrendered to me for sale in France on my paying, in addition to thirty-six per cent. duty, a fine of four hundred francs. France thus prohibits the entry of goods, no matter how innocent and useful, which her laws do not explicitly name as admissible, and punishes by confiscation the shipper and by fine the receiver of such goods.—*Joseph Wharton.*

WHAT FREE TRADE WOULD PRODUCE.—Free trade has but one sole object, and that is to allow foreign manufacturers to compete on equal terms with American manufacturers in American markets. This involves the raising by direct taxation of the national revenue that is now raised by duties on imports, and an equalization of the price of labor in this country and Europe. Even with the apparently reliable start our iron, cotton, and woolen industries have at the present time, it is doubtful whether, under a reign of free trade, they would contest the field with the foreign manufacturers. The two items of labor and capital, that constitute the great proportion of cost in manufactures, will not come down to the European standard. There is that difference between an old, thickly-settled, and circumscribed State, and a new, sparsely inhabited, and broadly extended country, where every man may become a landholder and tiller of the soil whenever he chooses or necessity compels. In Europe capital is worth one to two per cent. per annum; in this country it is worth ten to twelve per cent. per annum. The British manufacturer, if he found it necessary to flood the American market for one, two, or three years without profit, for the purpose of crippling the American manufacturers and compelling them to suspend operations, could do it at half or one-third the expense the latter could carry their stock even one year. With the American industries shut up and destroyed, the foreign manufacturer could do again, as he has frequently done before, charge such a price as would fully indemnify him for previous concessions. All this would involve the bankruptcy and ruin of thousands of mechanics, artisans, and others who have invested their all in these industries, under the implied guarantee that the policy of the government would not be changed for some years to come, at least.—*Chicago Western Manufacturer.*

IN April last the price of quinine in England was seven shillings and two pence an ounce. At that time the American manufacturers of this article were able to supply the home demand. To-day, however, the home supply scarcely equals the home demand, and orders for English quinine are going abroad. The result is that the Englishman has raised his price from seven shillings and two pence an ounce to eight shillings and six pence and nine shillings and three pence. If there were a scarcity of home-made iron in this country, how soon would the prices of English iron advance!

THE QUESTION OF PATRIOTISM.—The old-fashioned way of gaining population from a neighboring country by invading it and carrying off its inhabitants as slaves is no longer practiced by civilized nations, and the acquisition of territory by similar means is perhaps not so frequent as it once was, but the newer style of aggrandizement by winning the wealth of a neighbor through industrial assaults and trade invasions is now in the fullest activity.

In this modern and highly civilized style of warfare, improved machinery takes the place of improved artillery; the enemy's forces—his industrial population—are driven from their guns by missiles of textiles and metal wares, and are destroyed in their homes by starvation rather than by bullets in the field.

It is clear that the patriotism which can sleep through this industrial warfare and suffer this trade spoliation, and can only be roused into activity by the danger and passion of flagrant war; which can vote the public money to maintain rarely used armies, navies, and forts, but can not give the slightest aid or comfort to the real and constant defenders of its country's independence—its industrial soldiers—is a patriotism belonging to periods long gone by, and is of little more present use than a bow and arrow. The spirit of loyalty is forever the same, but it must now learn to promote its country's welfare by the arts of peace, pursuing its ancient and honorable aim by the new methods.—*Joseph Wharton.*

WHAT A GERMAN COMMISSIONER TO OUR INTERNATIONAL EXHIBITION SAYS.—Professor Reuleaux, the head of the German Commission at the Philadelphia Exhibition, has published a statement in which he declares to the excellence and the cheapness of American manufactured goods as compared to the protective policy. He says: "Let not Germans wonder at this; for we also in former days utilized the system of protection *with the greatest success.*" And he adds statistical evidence to prove that the United States is prospering under protection, notwithstanding the panic, while German industries are suffering because of the partial withdrawal of protection. No stronger tribute to the value of our protective policy has yet appeared than the elaborate statement of this eminent German protectionist.